DOCUMENT RESUME

ED 382 396 PS 023 304

TITLE	Breaking the Link: A National Forum on Child Care Compensation (Airlie, Virginia, April 29-May 1, 1994).
INSTITUTION	National Center for the Early Childhood Work Force, Washington, DC.
PUB DATE	May 94
NOTE	38p.
AVAILABLE FROM	National Center for the Early Childhood Work Force, 733 15th Street, N.W., Suite 1037, Washington, DC 20005.
PUB TYPE	Reports - Descriptive (141) -- Collected Works - General (020)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Advocacy; *Compensation (Remuneration); *Day Care; Early Childhood Education; Educational Attitudes; Educational Policy; Government Role; Grants; Program Descriptions; *Public Policy; *Seminars; State Programs; *Teacher Salaries
IDENTIFIERS	Army; North Carolina; Wisconsin

ABSTRACT

This report presents the results of a national forum on the compensation of child care workers which sought to develop strategies to break the link between what parents pay for child care and what child care providers earn. A total of 56 policymakers, researchers, economists, and child care advocates met for 2 days to review current child care policies at the federal, state, and local level and develop solutions to the problems of low wages, poor fringe benefits, and resulting high turnover among child care workers. The report reviews programs that have been successful in supporting high salary levels for child care workers, such as U.S. Army child care programs, the North Carolina TEACH scholarship-compensation support program, and the Wisconsin Quality Child Care Grants. The remainder of the report addresses future directions in the advocacy of improved compensation for child care workers, focusing on changing social attitudes, public policy initiatives, financing strategies, and coalition building. A list of forum participants is included. (MDM)

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A National Forum on Child Care Compensation

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NATIONAL CENTER FOR THE EARLY CHILDHOOD WORKFORCE

Breaking the Link

A National Forum on Child Care Compensation

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APRIL 29 – MAY 1, 1994

NATIONAL CENTER FOR THE EARLY CHILDHOOD WORK FORCE

ACKNOWLEDGMENTS

Special thanks to Alice Burton and Cathy Davis, who coordinated logistical planning for the Forum; to Jane Pierson, who served as the Forum facilitator; and to the Forum planning committee, Dan Bellm, Alice Burton, Claudia Wayne and Marcy Whitebook.

This report was prepared for NCECW by Dan Bellm.

The National Forum on Child Care Compensation was made possible through the generous support of the Carnegie Corporation of New York and a consortium of other funders.

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PART I
Introduction
Goals and Objectives

On April 29, 1994, the National Center for the Early Childhood Work Force (NCECW) convened a diverse group of policy makers, researchers, economists and child care advocates in Airlie, Virginia, near Washington, D.C., for a two-day forum dedicated to sharing strategies and charting next steps for the child care compensation movement. The 56 participants shared a commitment to reforming the American child care system in a way that will guarantee not only quality services for children, but a living wage for the adults who care for them daily. The gathering gave these leaders and activists, many of whom do not often have the chance to work together, an unprecedented opportunity to focus exclusively on the issue of compensation—the child care policy dilemma that has long been among the toughest to solve.

The dilemma lies in the fact that the American child care system depends upon an enormous unacknowledged "subsidy": the contribution that caregivers make by earning very low wages for this critically important work. The average child care worker nationwide earns roughly $5.50 an hour; even those with a B.A. degree earn on average only $8.00 an hour. Despite caregivers' high exposure to illness on the job, the overwhelming majority of centers provide them with little or no health insurance; even fewer offer a pension plan. Nor can parent fees alone cover the inevitably high costs of offering quality care and education for young children; for more and more American families, even average- or low-quality child care is becoming difficult to afford.

As we are painfully realizing, this unofficial funding "policy" is a very shaky structure in which to house and nurture our children while their parents earn a living. More than one-third of the nation's child care center teachers and family day care providers are likely to leave their jobs in 1995. At such a rate of turnover, the shortage of trained and qualified workers has become a national child care crisis. Those who do remain on the job share the extra burden of constantly training new co-workers, and the quality of care for children and families continues to decline dangerously.

THE AMERICAN CHILD care system depends upon an enormous unacknowledged "subsidy": the contribution that caregivers make by earning very low wages for this critically important work.

The National Forum on Child Care Compensation was the culmination of the first phase of NCECW's Compensation Initiatives Project, a multi-year effort to document, publicize and promote coordinated action in solving the child care staffing crisis. It also grew from NCECW's long track record of leadership in the compensation movement, since its founding in 1977 as the Child Care Employee Project (CCEP). The Forum took place at an exciting moment of transition, as CCEP officially reorganized as the National Center for the Early Childhood Work Force and moved its offices to Washington, D.C. in 1994. The Forum, and the Compensation Initiatives Project, were

made possible by a grant from the Carnegie Corporation of New York and a consortium of other funders.

We named the Forum "Breaking the Link" because we believe that a keystone of any revamped child care system will have to be an ability to *break the link* between what parents pay for child care—often too much—and what child care providers earn—almost always too little. We sought to learn not only from child care experts but from leaders outside the field, in order to establish a starting point for further child care advocacy in the coming years. Most of all, the Forum carved out a much-needed time for reflection and vision, a challenging and productive "meeting of minds," away from the urgency of our daily work.

A KEYSTONE OF any revamped child care system will have to be an ability to break the link between what parents pay for child care—often too much—and what child care providers earn—almost always too little.

Karen Nussbaum, Director of the Women's Bureau of the U.S. Department of Labor, opened the Forum with a keynote address on "Child Care and Women's Work." She observed that "the current opportunity for policy action on child care issues is strong because three essential 'stars' are in the same orbit: public outcry, organizational strength, and responsive government." Ann Rosewater, a Deputy Assistant Secretary at the Administration for Children and Families, added that child care is a critical element of every major initiative on the Clinton admininstration's agenda, including health care, welfare reform, empowerment zones, education reform and violence prevention. And yet, as the Forum opened, there was considerable skepticism in the group about the possibility of change in the near future. Uppermost in the minds of many was the President's announcement that day that there would be no new tax dollars to help finance welfare reform—an effort that will clearly require major new spending on child care. As one participant asked, "*Is* this a window of opportunity?"

The Saturday morning session was devoted to a variety of presentations on the challenges of restructuring the child care system, and some notable success stories in raising child care compensation; these are detailed in Part II of this report. The remainder of the Forum was then devoted to working sessions that called upon the resources and talents of all the participants. As described in Part III, each of five small work groups focused on one of the following areas:

- changing social attitudes about child care and the teacher/provider work force;
- priorities for public policy work on child care compensation; and
- child care funding and financing strategies to make better compensation possible.

Please note: For the purposes of the Forum, this Report, and the ongoing work of NCECW, we use the terms "early childhood work force" and "child care work force" as broadly as possible—recognizing that the varieties of terminology for the work force, and of the auspices where they work, can be a major barrier to organizing for change. The work

force includes center-based caregivers in public and private, nonprofit and for-profit, full-day and part-day programs; family day care providers, both licensed and unlicensed; Head Start employees; and a wide range of unregulated caregivers, typically working in private homes. Caregivers come from many different cultural and class backgrounds, and have followed many different routes of training and preparation. Rivalries over scarce resources also create frequent tensions within the field. But while these differences can make alliances hard to build, we believe that the early childhood work force is more fragmented and isolated than is really necessary. We challenged participants in the Forum to think as broadly as they could about this diverse population that cares for young children.

In advance of the forum, NCECW also prepared three Working Papers designed to stimulate discussion and to help participants focus on some of the most critical issues:

The Health Care Reform Movement: Lessons for Child Care Advocates,

Child Care Financing and the Early Childhood Work Force, and

Child Care Reimbursement Rates and their Impact on the Early Childhood Work Force.

Copies of these Working Papers are available from NCECW.

(adapted from an article in the Compensation Initiatives Bulletin, *published by the National Center for the Early Childhood Work Force, November 1993.)*

Toward a Vision of National Child Care Reform

On Breaking the Link Between Parent Fees and Provider Wages

The persistent and unfair linkage between what parents pay and what caregivers earn is the clearest symptom we have that our child care system doesn't work and must be fixed. Far too many families continue to settle for poor quality care or no care at all; caregivers continue to leave the field in order to earn a decent living; and children continue to get less than they deserve.

The present child care system is predicated both on high parent costs and on poverty-level wages for a work force that is 98% female. The ends don't meet, and the "system" is less a system than a haphazard patchwork of unrelated parts. Some programs, such as Head Start, have focused on *children's* needs and have devoted relatively generous resources to quality and staffing. Others, such as the Family Support Act or the Child and Dependent Care Tax Credit, focus on *parents*, often in the guise of reforming the welfare system or fighting poverty, and have tended to seek fiscal shortcuts and a low common denominator of service quality. There remains a chronic tendency to focus on only one part of the child care equation—parents, providers or children—instead of all three, or on stop-gap measures that disregard "the big picture." In effect, the present system pits the needs of these constituent groups against each other, and it's time for them to become unified in one coherent national program.

THE PRESENT SYSTEM pits the needs of parents, providers and children against each other, and it's time for them to become unified in one coherent national program.

- The Child and Dependent Care Tax Credit remains the major source of federal child care support, offering working families a credit for a portion of their child care expenses. But since the credit is non-refundable, it tends to help only higher-income parents, and (at a maximum of $720 per year per child) plays a very doubtful role in helping *any* parents to purchase more or better care. What's more, it leaves services totally to the marketplace, and makes no contribution to building the child care system's infrastructure or assuring its quality.

- Title IV-A of the Family Support Act (including the Transitional Child Care and JOBS programs) are meant to help the lowest-income parents obtain full-day child care as they work or attend training, in order to get off welfare and become self-sufficient. But because this support rarely comes close to meeting even average child care costs, it ultimately restricts parental "choice" to poor-quality (and often unregulated or even harmful) care. Quality standards are almost completely absent from these programs' mission.

- Until very recently, most federal programs restricted reimbursement to child care providers at the 75th percentile of the

going "market rate"—in effect, depressing the entire market by restricting child care programs' economic viability and, therefore, their quality. In an industry in which personnel costs make up by far the largest portion of program budgets, low reimbursement rates directly perpetuate low wages.

- The Child Care and Development Block Grant represents a political compromise between the status quo and a more systematic approach to revamping the child care system. While it allows child care costs for low-income families to be reimbursed at up to 100 percent of the market rate, most states continue to impose the 75th percentile limit. The Block Grant gives nominal attention to quality improvement, but with little funding or overall direction thus far to give it clout. Many states, for instance, are currently pouring Block Grant funds into training programs for child care providers, but often without addressing the fundamental professional issues of low compensation and high turnover. Still, the program offers a framework for change that can be built upon, and the upcoming Block Grant reauthorization offers an opportunity to advocate for major improvements.

- Recent progress in the Military Child Care and Head Start programs offers the strongest hope yet for creating the infrastructure of a more coherent system. Both have dedicated a major infusion of funds to improving quality, and both have instituted a professional development system that emphasizes training, performance standards, reduction of turnover and increased compensation. The Military Child Care program, in particular, has signaled a clear recognition that quality care cannot be supported on parent fees alone, and a commitment to guaranteeing equal access to the same quality of service for all military families. The program sets parents' child care fees at a certain percentage of family income—keeping the military's services cheaper than those available elsewhere in the market—and picks up the remainder of the cost. But as military jobs and services are cut back in coming years, the program could face some retrenchment of its own. And the Head Start program, despite years of success and public acclaim, remains funded at a level that allows it to serve only about 20 percent of eligible families.

What policy mechanisms might be created to bridge these gaps, in order to create a "seamless" system of quality care that doesn't rely on high parent fees and low wages? Clearly, a parental responsibility to share costs should be part of the system—and parents' child care costs should be factored into the total whenever policy makers in *any* field estimate the necessary household expenses of American families. But we've yet to agree on a reasonable standard for what parents can be expected to pay, and meanwhile, highly dubious figures such as "ten or fifteen percent of income" are thrown around in policy discussions, with little basis in economic fact. Indeed, we generally find that toward the lower end of family incomes (with the exception of those receiving subsidized care), the percentage that goes to pay for child care becomes steeply higher. Recent research from inner-city Los Angeles indicates that poor families (in the range of $11,000 to $18,000

per year) pay an average of 33 to 40% of their income on child care—an obviously unfair burden. Should the figure even be calculated as a percentage of income, when a more equitable approach might be a sliding scale pegged to a family's income tax bracket?

A number of refinancing strategies will have to be explored. In some fashion, child care will have to be connected to the tax base as a public service, whether through a federal, state or local income tax, an employer tax, a payroll tax, or local property taxes, as in the funding of school systems. An employer initiative to break the link between employees' child care fees and providers' wages would also be a major breakthrough. The Australian system of "Universal Fee Relief" presents another useful model, whereby parents seeking child care are placed on an appropriate level of the sliding fee scale, and public funds make up the difference in cost. In addition, we must continue to explore options that help parents of young children stay at home if they choose—including paid parental leave or a "young child allowance."

But as national health care reform reaches a deadlock in Congress, we are forced to recognize that we're even *further* away from systematic reform than the health care field is. Child care costs do not amount to 14 percent of our Gross National Product, as health care does; and we cannot point to anything remotely similar to the waste, bloat and excessive earnings in certain sectors of the health care system. And while it has become hard to argue against health care as a universal right, there is by no means a public consensus about the necessity, value, and appropriateness of out-of-home care for young children; or that mothers of young children should even be working; or that the care and education of young children is a social responsibility shared not only by parents but by all citizens.

How do we help national child care reform to reach center stage? How do we build the political will for fundamental change? It will take nothing less than a massive campaign to change the public perception of child care—a campaign articulating the core message that the care of young children is a social good and a universal public responsibility, and that the long-term social costs of *not* providing good early care are far higher. Many pieces will have to fall into place: a clear definition of child care quality and its true cost; a definition of parents' responsibility to pay; professional standards for worthy child care wages; and a resulting estimate of what the public sector or another third party must pay in to the system.

We're used to talking about the long-term implications of all our other "purchases"—especially such commodities as cars and homes—but not about investing in our social future. It is not going to be simple to build a strong and stable child care system, but we do not have the option to refrain from beginning the task.

PART II
Challenges to Creating Change
Structural and Social Barriers to the Development of a Skilled and Stable Work Force

Participants began the Forum's Saturday morning session by identifying their greatest concerns about the current child care system, particularly in terms of the plight of the caregiving work force. The following is a sampling of responses:

- "Sad, disengaged children. What we call turnover, children experience as loss."
- "People constantly leaving the profession—including my 25-year-old daughter."
- "The social bias against women and women's work, and the low value placed on raising children."
- "A widespread hopelessness about the possibility of change, transformation and collective action."
- "The entire system is fragile, with one need always pitted against another."
- "Many people in the field don't have training, and can't afford it or gain access to it."
- "Low-income families have overwhelmed the system, and child care staff don't have the support, training or funding they need to meet these families' increasingly complex needs."
- "A total separation between the child care and elementary education systems."
- "We keep thinking of putting money in the child care system for reasons other than children—work, welfare, etc. In the case of welfare reform, 'the tail is going to wag the dog' and overwhelm everything else we've tried to do."
- "Retribution and punishment later on in a child's life—i.e., prison—seems to be much more politically popular than early care."
- "We have an artificial distinction between 'child care' and 'child welfare' that doesn't exist in other countries."
- "As we raise standards and professionalize, we risk falling into the bureaucracy that has plagued other fields. How do we preserve the strengths of traditional 'women's ways'?"

WHAT WE CALL turnover, children experience as loss.

A Provider's Perspective

Peggy Haack, Family Child Care Provider, and Resource Specialist, Wisconsin Early Childhood Association, Madison, Wis.; NCECW Board Member.

I've been a child care provider for 20 years—in centers for 16 years, and for the past four years, I've operated a family child care program at home. I truly like the people

who work in this field; hearing their voices keeps me going. Some early bad job experiences forced me into becoming a worthy wage activist. It's taken many of us a long time to recognize that we're active in this movement not only for the sake of children, but that it's O.K. to be doing this for ourselves.

Too often, we're working for worthless wages in poor programs, supposedly for the benefit of families and children, or because "the parents couldn't make it if I raised my rates." Like children, we often operate in the present: merely surviving, not recognizing ourselves as agents of change. Many of us have been in the field so long that we begin to lower our expectations: we limit ourselves to picturing small changes in the current system instead of envisioning something new. We need to build a new, more hopeful kind of culture in the early childhood field: asserting our own dignity and needs, and proclaiming that working women deserve more.

POLICY IS ALMOST always conceptualized in terms of how to use government funds to get more kids into the current system—not how to use funds to create a new system.

Dilemmas in Child Care Financing

Alice Duff, Executive Director, Crystal Stairs, Inc., Los Angeles, Calif.; NCECW Board Member.

As child care advocates, our attention is frequently driven by where the money comes from; in California, for example, the entire focus is on Sacramento. As a result, most of us in our state have only talked to each other, and we've become insular. And thus far, the political will to spend the money on child care *workers* has been sorely lacking.

The major barrier in this system is that there's not enough money to pay for everyone who needs care—and this leads to an endless tension between caring for more children or providing higher-quality care for fewer children. My own community, South Central Los Angeles, reveals that the resulting level of anger from this lack of resources can destroy communities. Until recently, only 10 percent of those eligible were receiving child care assistance. At Crystal Stairs, the local resource and referral agency, there are four to six thousand people on the waiting list who need child care now, and who end up waiting one to two and a half years. Forty-five percent of the service area is ineligible to vote, many of them because they are illegal immigrants. The pressure to serve more children with the same level of funding is very high, rather than to serve anyone well. The entire bureaucracy is painfully slow, especially in terms of getting payments to providers. Bureaucrats don't understand implementation; they think that passing a law makes something a reality.

We need a whole new system instead of the current patchwork. But we can't assume that it should be like the school or library systems, because in many cases, those systems are not working very well either. Unfortunately, policy is almost always conceptualized in terms of how to use government funds to get more kids into the current system—not how to use funds to create a new system.

Child Care Regulation

Deborah Phillips, Director, Board on Children and Families, National Academy of Sciences, Washington, D.C.; NCECW Board Member.

Child care is often thought of as a private problem that each mother solves one by one. According to this view, regulation hardly seems relevant; what does bureaucracy have to do with helping children?

On the regulation issue, none of Karen Nussbaum's "triad" of opportunities is there—public outcry, government receptivity, or organizational strength. The child care field itself is very split; for-profit programs, church-run programs and unregulated family day care providers have often fought regulations tooth and nail.

Current regulations are developed completely on the state and local levels, and as a bottom line, they codify a basic disrespect for the child care work force. They mostly have to do with "hardware" issues such as building safety, and have very little to say on staff qualifications—which reinforces the myth that anyone can do this kind of work. As of 1991, 37 states had *no* pre-service requirement; 10 hours of training per year is a relatively strict regulation. This is completely different from the way that nearly every other profession is regulated—even manicurists are typically required to have more training. And the regulations we do have in child care are very inconsistently enforced, with a high percentage of programs out of compliance. In effect, regulation is becoming a myth, with the result that at best, regulations end up setting the ceiling of quality rather than the floor.

The Economics of Women's Work and the Affordability of Child Care

The Challenge of Restructuring the System

(Excerpts from an address by Heidi Hartmann, Executive Director, Institute for Women's Policy Research.)

Many economists argue that the low wages of women are a supply and demand problem—that because of limited job opportunities elsewhere, the oversupply of women workers tends to drive down their wages. But that's not the only cause. There is a great deal of research now that shows that wages are depressed in women's jobs precisely because *women* are doing them. If, for example, you simply replaced every female secretary with a male secretary, what would employers have to pay to get men with the same level of writing, verbal and coordination skills? A lot more. Women's lower pay is not only a supply and demand problem; it's also due to a cultural and traditional practice of devaluing what women do. It's very difficult to attack because it's system-wide.

In 1991, an average woman's annual salary was about $20,000. If she had a high school education, her average salary was about $18,000; with a college education, about $27,000. But the average child care worker's salary is $9,000—half of what the average high-school-educated woman can earn. The only child care workers who are even approaching what a college-educated woman earns in the economy are those who have a good structure around them—a college education, maybe even a masters degree in Early Childhood Development, a unionized work setting, or a public school or other setting where there is a greater investment going into child care services.

Child care is not only one of several devalued, low-paid women's jobs, but it is just about the *worst* women's job of all—so close to the bottom that it is almost inexplicable. You have to ask why people with these skills and this training are going into the child care field, and you have to come up with the answer that there must be an intrinsic reward. Many people in this field are simply dedicated to the development and health of young children, and because of that we assume it's safe to exploit them. Because they are committed and dedicated, we just pour on the exploitation, more and more and more. The biggest subsidy going into child care is coming from the workers themselves.

So the fact that you have organized yourselves to do something about this is a very good thing, and long overdue. The rest of us simply have to support your demands and acknowledge that it is not just for the children, not just for parents, but also for the workers themselves. We can also point out that as the child care system expands, its quality deteriorates, because it is expanding beyond that small group of people who are dedicated enough, "crazy" enough, to do it for nothing. We're still stuck with the idea that any woman can do this kind of work. But if we want quality, we have to move toward increased regulation of the field in terms of training and education. It's critical.

Strategies

One strategy that attacks the devaluation of women's jobs, and that could work for the child care field, is pay equity. Unfortunately, most child care workers don't work in broader settings where there are other comparable job categories that men tend to hold; in the U.S. our strategy for implementing pay equity has been firm-based, proceeding work place by work place. But I think it can be an important strategy for the movement as a whole, even though there may not be many child care work places that can apply it immediately. Certainly schools could; any school system has comparable jobs that are male-dominated, and this kind of comparison can bring wages for child care workers up.

Another strategy is labor law reform, to make it easier for workers to organize and to unionize. But here again, child care has a particularly difficult problem because it takes place in so many dispersed, decentralized work settings. The size of most child care centers is really quite small, let alone all the home-based providers. But more unionization in the wider economy would also help this field by bringing up wages overall.

And finally, there is the minimum wage. You can't look at child care workers without realizing how many are paid the minimum or close to it, and the value of our minimum wage has fallen by one-third since the late 1970s. In today's dollars, it was worth $6.20 then, and now it's $4.25; that's really a significant drop. The Labor Party in Britain wants to move to a four-pound minimum wage, which would be about $6.00. I don't think that this is an impossible goal. Presently, though, the minimum wage isn't on the agenda of this Administration because of their strong focus on health care reform, which would increase costs to employers—especially employers of child care workers and other low-wage workers who don't now have health benefits. And this is an important goal, as well. Only 25 to 35 percent of the child care work force has any help with health insurance—and this is not counting the home-based providers. When you consider the fact that child care workers don't even have the benefits that others do—such as paid vacation, sick days, health insurance—the wages are just ridiculously low.

Child Care and "Market Failure"—The Need for Public Investment

I want to talk now about public investment in child care. The basic change that is happening is that women are going to work outside the home in ever-increasing numbers. Why? It used to be thought that you could find a nice guy and get married, and he'd be married to you for life and earn enough to support you both. You would also invest a lot in your children because they would take over the family business and take care of you in your old age; they would be the labor power for your family that would allow it to survive. But we no longer have an economy of small businesses and small farms. Now, in many ways, children are "consumer goods" rather than investment goods for the average family; the economic term, actually, is consumer *durables*, because they last more than a year! You have to ask why parents are so crazy as to do this; it's an

MANY PEOPLE IN this field are simply dedicated to the development and health of young children, and because of that we assume it's safe to exploit them.

enormous amount of effort, something like a 99-hour week for a mother who has a child under one. We are still insanely having these children and investing in them, largely for the personal pleasure we get from it, but we are also doing it for a social reason, for the good of society as a whole. And the child care teachers are crazy, too; they are still investing in these children despite the fact that they get very few rewards for it. Therein lies the child care problem.

Child care is a prime example of *market failure*. The free market is not working because the social *benefits* of raising children go to the society as a whole, but the *costs* that people experience for raising children are personal and individual. We've succeeded in socializing these costs—spreading these costs beyond parents through the tax system—for school-age children, and to some degree for college students. We have not done so for the early childhood years, and however great an investment parents may be making, it isn't big enough overall. Our society has to make a decision that we all must invest more especially during early childhood. We've only begun to do that, through programs such as Head Start and the Block Grant.

THE FREE MARKET is not working because the social benefits of raising children go to the society as a whole, but the costs that people experience for raising children are personal and individual.

Now modern labor economists are taught—believe it or not—that when a child is born, on day one, its parents should have a perfect understanding of what its talents and capabilities will be. The child should then be able to go to a bank and take out all the money it needs to fully train and invest in these talents, and it would earn enough over its lifetime to pay back that investment. This is basically the model that is being taught to graduate students in economics today. I wonder if we had to make the decision today of whether or not to have a public school system, if the economics profession would say no, we should not; instead, each child and family should know how much to invest in themselves. If you're pretty sure your kid is going to be dumb, I suppose you'd invest less, I don't know; that's where this kind of thinking leads.

We simply cannot put this kind of responsibility on the individual. We have to take collective and social responsibility. And this lack of public investment is directly responsible for the lower quality of the child care system as it expands.

Regulation

Another cause of low quality, of course, is poor regulation. We don't expect consumers to go into restaurant kitchens and check out the food preparation; we don't open the hood of the airplane and check out the engine. We allow other people to do this for us because it's more efficient, and that is the reason for public regulation. There is no way that a system of individual consumers can regulate the quality of child care. The dominant idea in Washington policy circles seems to be that there is a functioning private system, and that we should just give low-income parents some money to go out and buy child care in this market. But it's not going to work; we're talking about the health and safety of children, and there is simply no way that individual parent consumers can monitor it adequately. So we have to push very strongly for regulation to raise quality.

A "Life Cycle" Model of Public Investment

The climate toward privatization, and against regulation, is part of the overall resistance to seeing children as what they are—a public good, for which all of society should feel responsible. Recently there was a case of a local ballot measure that asked the citizens of a particular town to contribute to child care. Only a minimal amount was asked—about ten dollars per year per taxpayer—but they voted no. They wouldn't do it. One of the reasons, I think, is that at any one time, fewer than half of all households have children under 18—so even fewer would have a child under six. And many of the households whose children are grown are inclined to say, "I didn't get this kind of help from the government. Neither should you."

One good way to start thinking about child care investment is a *life cycle model.* That's the way we think about retirement. We all hope we live long enough to retire; it is part of the life cycle we go through. As a result, younger working taxpayers help support those who have retired, and you support yourself by contributing to a fund which will be there when *you* retire. But ironically, the age when most people are the poorest is when their children are very young. Even for middle class families, wages are lower when they have young children; therefore, they need to make this investment in child care just when they have the least money.

So we should think of the early parenting years as a life cycle stage that almost everyone goes through. There are some demographic developments that can contribute to this understanding. One is that, actually, there are fewer childless women than there used to be. Typically, women are having fewer children, and having them closer together, but more are having at least one child. So this is a way in which we are all in this boat together. By using a life cycle model, we can say that we'll all go through this stage, and that it's during this stage when we need the most help because our incomes are the lowest.

What we have to do—and what we're gathered in this room to do—is to start developing the language, the strategy, the ideology that can help people understand this need for a major public investment in child care.

Success Stories

Raising Child Care Salaries

Military Child Care: A Staff Development and Compensation Initiative for Caregiving Personnel

M.A. Lucas, Chief, Child and Youth Services, U.S. Army, Alexandria, Va.

In 1990, after years of historically low child care wages, all branches of the military, in concert with the Department of Defense, implemented a comprehensive compensation and training project for caregiving staff working in child development centers on military installations. The project was designed to enable directors to recruit and retain quality staff by offering competitive entry-level wages and increased pay, based on completion of on-the-job training, demonstrated classroom competency and specialized experience with young children.

M. A. Lucas of the U.S. Army, a former NCECW Board member, led our session on child care compensation "success stories" with a discussion of the Army's recent initiative. The following are excerpts from her remarks.

First, I'd like to say that even though I'm talking about the Army, all the branches of the Services—the Marines, the Air Force, the Navy—have comparable programs, with common principles, regulations and implementation guidelines. The other fact that's important to mention right up front is that we look at military child care as an *employer-sponsored* program, not a Federal program. This is a key to many of the strategies we used. So while I'd be the first to tell you that you can't just take this model and transport it anywhere, I think there are some principles and strategies that you could apply to your own setting.

It's difficult to talk about the compensation piece as a separate initiative. When we looked at our child care problems overall, we saw infrastructure problems with facilities, funding and personnel management. Within the personnel management arena, we addressed training, compensation, competency measurements and recognition all as one entity. Each component is interrelated, so you can't address them in isolation.

The goal of pay equity

We began by setting baseline starting salaries that would be competitive *within the labor pool.* This is a critical distinction: not the *child care* labor pool, but the pool that is drawing away your workers. At first we were losing people to jobs stocking shelves at the commissary (the military equivalent of a supermarket), or to fast food operations. Now, as our salaries have increased, we tend to lose people to a totally different kind of employment. The salary floor has risen, and it will continue to rise. It's an issue of pay equity; we must be competitive with other employees on military installations who have similar seniority and similar training requirements.

There are three salary increases for entry-level staff over an 18-month period, provided they complete specified training and demonstrate classroom competency. The first pay adjustment comes at six months; we'd looked at turnover and found that it was at about this time that we started to see people leave the program.

Both full-time and part-time staff also receive life insurance, health insurance, sick leave and retirement. These benefits are by no means inconsequential; generally an additional 22 percent of the salary schedule. And because programs might be tempted to hire primarily "on call" staff to avoid paying benefits, we have put a cap on the maximum number of on-call staff that can be employed. We wanted to make a distinction between these people and regularly scheduled part-time workers who want to work less than an eight-hour day.

Although our caregivers are not Federal employees, their salaries are now linked to the same salary scale as all Federal employees. This means that it's not a child care issue any more. We used to haggle over ten cents an hour, and I know you have too. Whenever the government decides on salary scale adjustments, we automatically get them as well. The carry-over for all of you may be to try to "hitch your wagon" to some larger salary schedule that is related to your program in some way.

Another significant gain is that caregivers now maintain their salary status when they move within the military child care system. Previously, they always had to start all over again when they changed jobs.

Breaking the link between salaries and fees

The title of this conference ("Breaking the Link") has always been our objective: to change that paradigm that links salaries and fees. We have a formula for determining what is affordable for families to pay. On the one side, we set our fees on a sliding scale based on total family income. Our most common fee is $58 per week, which includes two weeks of vacation leave. On the other side, we set the salary scales. When we began, $6.00 seemed to be the starting point; now it is totally individualized because we find out what the comparable local labor pool is paid. And as the employer, we are committed to making up the difference between fee revenues and salaries. So the funding strategy is to find out who in your particular situation, at the local and state level, could help make up that differential—the "quality differential" or whatever you want to call it. We need to find a name for that gap.

It was critical for us to cost out the price of high versus low staff turnover. Because when we tracked the expense of training and retraining, conducting multiple background checks, all the administrative costs borne by the child care facilities and our support services, it was a wash. When we brought these indirect costs out into the open, we saw that they were just about as much as the direct cost of raising salaries.

IT WAS CRITICAL for us to cost out the price of high versus low staff turnover.

Military childcare programs have stabilized and controlled turnover—though we can't really compare our turnover rate to the private sector, because about the majority of our caregivers are spouses of military service members. This is one of the reasons the military is willing to invest in them; they'll move with their soldier spouse from one place to another.

The majority of our direct caregiving staff are now at the full performance level. We've linked all our training to the CDA competencies, and we've substantially increased the number of CDAs both in family child care and in center programs. We've also dramatically improved the quality of the care as evidenced by the large number of accredited military

centers, and much of this was due to our focus on training and compensation.

Why was the military willing to invest in child care salaries?

I need to emphasize that this program was done with no new money; every penny came from somewhere else in the military budget: weapons, tanks, military exercises, and so on. And despite the massive military cuts of the past three years, the child care budget is actually increasing.

Why was the military willing to invest in child care salaries? One of the reasons is that we made a great effort to put our issues in a situational context that would be familiar to military policy makers. Training, for instance, is what the military does every day; they are training day and night, waiting for the time they are called into duty. Since training is their natural model; this was where we started.

THIS PROGRAM WAS done with no new money: every penny came from somewhere else in the military budget. Despite the massive military cuts of the past three years, the child care budget is actually increasing.

The military training model is that you take someone 18 years old and send them to basic training; then they go on to specialty schools and progress upward. We said, if they can do that, we can too. We looked at a basic level of training for people who are at least 18 and have a minimum of a high school degree or GED. We provide standardized on-site training during the first six months; as a result, each person has a minimum competency level, and no matter where they might go within the military system, we won't have to reinvest in their training.

It is important to us to have a stable staff. In the "old days," there was a lot of drop-in care; the idea was that every morning you decided how many staff you needed, based on the day's enrollment and of course children were cared for by many different people. We asked army commanders how they would feel if they wanted a certain soldier and were told that every day a different person, a reservist or someone from outside the post, was going to come in his place. This was anathema to them, because they value "unit cohesion"—they want the same soldiers day after day, just like we want "primary caregivers." It's very important to them that the unit works togetherand that soldiers stay "attached" to the unit. For staffing and ratios, we used their model of how many soldiers and officers it takes to build a platoon or any other unit. Again, they understood that they couldn't have one sergeant for 500 soldiers.

Focusing on the family

The last and most important point, in terms of sustaining the program, is that it takes vigilance every day, even though we have tremendous support. It's very important to continue to show the value of the child care program, whoever your funder is. In our case, we focus on readiness and retention. We've tapped into the enormous changes that happened after the Vietnam War, when we went from a draft army to an all-volunteer army. The whole culture changed. There is more of an emphasis now on recruiting and retaining the best soldiers—things they didn't have to pay attention to before.

For instance, we track how much lost-duty time occurs because a soldier has to stay home for lack of child care. Very often, the spouses

were working in low-paid jobs that did not have benefits. So when the child was sick, who would stay home? Not the low-paid spouse; it was going to be the soldier, because he wasn't going to be docked a day's pay. Then we could translate that time away from work not only into dollars but into readiness. For example, if there's a crew for a helicopter and the mechanic isn't there, or if someone is missing from a readiness drill, it impacts on the whole training exercise.

We have found that young, single soldiers are among our greatest advocates for child care. They were the ones who had to pick up the extra time and the duty when child care wasn't available for others. They see that they are going to need that child care some day, at some point during their time in the service. Many come in as single soldiers and go out as married soldiers.

We have a saying, "recruit the soldier and retain the family." In most cases, it is the spouse who make the decision whether or not a soldier stays in the Army, based on whether or not they have a job and good family support. We've made the link between retaining good "employees," spouse-employment and child care.

More information on the Military Child Care Initiative is available from: Child Development Services, U.S. Army, Community and Family Support Center, 2461 Eisenhower Ave., Alexandria, VA 22331-0521.

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Following M.A. Lucas's talk, two other Forum participants also made brief presentations about successful efforts in their states to raise child care salaries. The following is a summary of their remarks.

North Carolina: The TEACH Program

(presented by Sue Russell)

Now in its fourth year of state funding—with a $1 million appropriation passed by the state legislature for the current year—TEACH is an "umbrella" of various scholarship programs which link early childhood training with improved compensation. These include a credential program whose participants receive a wage bonus; a variety of training options in which community college credits are tied to raises; a mentor teacher program, in which experienced teachers receive a stipend in exchange for mentoring student teachers in their classrooms; and a four-year college degree program beginning in fall 1994. Some 1,000 family day care providers, center-based teachers and center directors are currently participating in TEACH, which operates in 74 of the state's 100 counties.

The use of research was a key strategy for getting the program underway, as advocates documented the prevalence of low wages, high turnover rates, and a lack of financial support for professional development in North Carolina child care programs. Recognizing the need to stabilize the work force, a number of child care centers signed on as partners in helping to pay stipends and bonuses for staff who received training. Organizers of TEACH deliberately started small, with a $20,000 pilot program in 1990 involving 21 teachers, and then sought support to expand it as it demonstrated clear, measurable success in terms of lower

turnover and greater access to training. In the first year, teachers gained salary increases ranging from six to ten percent.

Several factors have contributed to the program's success. TEACH benefitted from the existing training networks available at North Carolina's community colleges and state universities—and at a fee of only $15 per credit hour, the state's community college system remains quite inexpensive and accessible. Organizers have also been astute about political trends in the state, most notably by working closely with Governor Jim Hunt well before his election. Participants are encouraged to view their training at least partly as a political process: each scholarship includes a paper urging the student to write Gov. Hunt a thank-you letter. More information on TEACH is available from: Day Care Services Association, P.O. Box 901, Chapel Hill, NC 27514.

Wisconsin: Quality Child Care Grants
(presented by Peggy Haack)

Wisconsin's Quality Child Care Grant Program uses federal Child Care and Development Block Grant funds to promote accreditation of centers and family day care homes, encourage advanced staff training, and improve staff salaries and benefits. In the program's first year, 155 centers and 69 family day care homes received a total of $1.5 million.

Two types of grants are available. *Quality Improvement Grants*, awarded for up to four consecutive years, help programs meet and maintain Wisconsin's High Quality Standards, which include accreditation, CDA certificates or degrees for all staff, improved compensation, and low turnover. *Staff Retention Grants* are available for programs which already meet the High Quality Standards, and are primarily used for compensation and training; most are awarded on a per-child basis, based on the number of children served in the prior year who were low-income or who had a special need.

Advocates credit the passage of this grants program to two factors: active coalition work with a variety of women's and consumers' groups, and the presence of a strongly sympathetic ally within the state government—Kay Hendon, Child Care Coordinator at the Wisconsin Department of Health and Social Services. More information on the program is available from: Quality Child Care Grants, Division of Community Services, Office of Child Care, 1 W. Wilson, P.O. Box 7851, Madison, WI 53707.

PART III
Tackling the Issues
Next Steps for the Child Care Compensation Movement

1. Changing Social Attitudes

One of the Forum's five work groups devoted itself to the question of how to shift social attitudes that negatively influence the child care work force. The group agreed rather quickly that the movement to change social attitudes about child care work should begin with child care workers themselves. Moving outward from this core group of teachers and providers, other constituencies would include child care directors, parents, teacher educators and trainers, other women workers (particularly teachers, human service workers, and members of unions), employers, and the media.

The fundamental challenge is to reframe public understanding of the nature and value of child care work: to confront stereotypes about supposedly unskilled "women's work," and to redefine child care in terms of the need for a comprehensive national system of early care and education.

Major recommendations from the work group are detailed below.

Program Models

The Worthy Wage Campaign. Now in its fourth year, the Worthy Wage Campaign is a nationwide grassroots effort to empower and mobilize teachers and providers to reverse the child care staffing crisis. The campaign now consists of over 220 member groups in 40 states, and its primary focus is the annual Worthy Wage Day held in April. NCECW serves as the campaign's national coordinator.

Teacher/Provider Leadership Training. As part of the Worthy Wage Campaign, the Leadership Empowerment Action Program (LEAP) is currently developing a training guide for building a corps of grassroots leaders and organizers in communities across the country. Now being field-tested, the guide will be available for wider use in 1995.

Mentor Teacher programs. Mentoring programs, which help motivate caregivers to remain in the field by sharing their skills with other adults, in exchange for earning higher compensation, are now being developed successfully throughout the country. A resource publication on early childhood mentoring programs is forthcoming from NCECW.

Unionization. Unionized child care workers, while a small percentage of the field, have generally been the best-paid and most organized sector of the work force. The experience of local child care unions in California, Massachusetts, New York and other states can be instructive in all our efforts to challenge barriers to change in the field. One source book for more information is *Taking Matters Into Our Own Hands:* A Guide to Unionizing in the Child Care Field, developed in 1991 by NCECW (then the Child Care Employee Project) in partnership with the five major unions representing child care workers.

THE MOVEMENT TO change social attitudes about child care work should begin with child care workers themselves.

Competency-based standards. The Wheelock College Center for Career Development has been especially instrumental in redefining child care work in terms of *competencies*, rather than degrees or training levels. The goal is to expand career-ladder opportunities for advancement and growth in the field, and to broaden the range of ways that caregivers can reach the levels of competency they need. Otherwise, a negative process of "professionalism" in the child care field could end up excluding, particularly by race and class, those who currently have less access to training and education. Divisions and tensions in the nursing field between RNs and LPNs, for example, provide a cautionary note.

Research. NCECW's National Child Care Staffing Study (1989; updated 1993) has had ground-breaking importance in communicating the realities and needs of the work force to a wide audience. Local and statewide salary and benefits studies have played a similar role since the 1970s in building community awareness and mobilizing action. While the federal Child Care and Development Block Grant (CCDBG) legislation, passed in 1990, instructed all states to collect child care salary data, it carried no funding or enforcement capacity to make the mandate a reality. Such a data collection program should be a high priority for the field as the CCDBG comes up for reauthorization in 1995.

Challenging race and gender bias. Anti-bias curricula for young children are becoming widely used, and yet caregivers often do not learn in their own training programs about the race- and gender-based biases directed against them by society. Caregivers who do not confront the issues of their own status are likely to be less effective in combatting bias among children. Program models should be developed to include this subject in teacher/provider training.

Parent/consumer education. The "Child Care Aware" campaign, developed by the Child Care Action Campaign and NACCRRA, has produced effective materials about quality child care for parents and other consumers, and could serve as a model of how to produce materials targeted specifically to child care workers.

Parenting education in high schools. More and better parenting education programs should be included in high school curricula. The earlier that young people are taught about what it takes to care for children, the better prepared they will be to become parents, and the more likely they may be as adults to respect the work of the child care profession.

Building Alliances

Parents. It often appears that the early childhood work force is hampered by the lack of a clear "enemy." Unfortunately, parents are often cast in this role, since their child care fees are the largest and most direct source of caregivers' wages. While a degree of conflict with parents may be inevitable within individual child care programs, we need to build partnerships and look outward to the larger picture of child care policy and funding. The Worthy Wage Campaign and others can help by developing information packets, kits, videos and other materials to stimulate more discussion of common ground between caregivers and parents.

Teacher/provider educators. Educators at community colleges and other settings have sometimes played a strong role in raising students' awareness about the political and economic realities of child care work. Educators need more curriculum and training models to

help them prepare students not only to become better teachers, but better advocates and agents of change. Current models include the handbook *Working for Quality Child Care* (1988) and the forthcoming LEAP guide, both available through NCECW.

Elementary school teachers. Child care teachers whose programs are housed in school settings often feel they are treated as "step-children" by elementary school staff, divided by professional elitism, disrespect, and a lack of communication about the children and families they both serve. The early childhood and elementary fields need to work together to see their efforts as part of one *continuum* of care and education. Teachers' unions which also represent child care workers, such as the American Federation of Teachers and the National Education Association, could play a role in bridging this unnecessary and destructive communication gap.

Employers. The early childhood field and employers should work together to publicize ways in which business can help strengthen the child care work force—for example, by helping to fund training and recruitment efforts, and by developing model personnel policies and salary and benefits programs at employer-sponsored child care centers.

Unions. Some unions are already devoting resources to organizing and representing child care workers; others are contributing to the Worthy Wage Campaign and other efforts. In partnership with unions, the Worthy Wage Campaign and others could disseminate materials about child care worker issues, geared in particular to unionized workers (especially women) who are parents. Parents who are union members are natural allies who are highly likely to understand the issues. Participants in the annual "Leadership Schools for Union Women," held in four regions of the U.S., would also be an excellent group to survey and draw into the movement.

Effective Messages

What child care workers actually do. The old stereotypes about babysitting are extremely out of touch with the complexity of group child care and with how rapidly the field is changing. Child care workers are increasingly called upon to serve families and children with a broad range of needs; they are not only teachers but in many respects are also counselors, mediators, social workers and health advisors. Even our own messages about how "children learn through play" have perhaps not served us very well; they may in fact encourage people "on the outside" not to see child care as real work. All too often when caregivers appear on the news, they're only seen wiping noses or pushing swings. Those activities are important, of course, but we need to develop media messages that show the full range of what child care workers do in the course of a day.

THE EARLY CHILDHOOD and elementary fields need to work together to see their efforts as part of one continuum of care and education.

What we call ourselves. To what extent does terminology hold us back? Because of the diversity of the early childhood work force, we have thus far reached very little agreement about what to call ourselves: teachers? providers? caregivers? child care workers? early childhood professionals? Is our service child care, early care and education, comprehensive day care services, or none of the above? Even this work group was of two minds: Is the term "child care" problematic or narrow, because

it sounds more like babysitting than teaching? Or is it the way the public continues to view the needs of young children that's narrow? Whatever the answer, we need to be conscious of speaking about the work force and the work we do as broadly as possible, in order to reflect the diversity of the field.

The long-term value of quality child care, and the cost of failure. High/Scope and others have conducted important longitudinal research on the benefits over a child's life span of high-quality early childhood services. The field needs more and better research not only on these positive long-term returns but on the "cost of failure"—the ways in which the lack of good early childhood care can perpetuate such high social costs as violence, crime, poverty and dropping out of school. An effective media campaign might also be developed, hand in hand with such research, using the personal testimony of young people and adults about how child care helped them in their lives. Girl Scouts of America, for example, has developed public service announcements featuring successful women who were scouts as children.

QUALITY CHILD CARE is a right, and it is a critical issue for the American middle class—not just a need of the poor.

School readiness. Such recent studies as *Ready To Learn:* A Mandate for the Nation (Carnegie Foundation for the Advancement of Learning, 1991) and *Heart Start:* The Emotional Foundations of School Readiness (National Center for Clinical Infant Programs, 1992) have documented the strong relationship between quality child care and a child's readiness to learn in school. This information could be the basis of an effective campaign to emphasize the educational value of early care, and to strengthen links between the child care and elementary education systems. Elementary school teachers could play a role, too, by testifying about the effects of good and bad child care they see in the children who enter their classrooms.

Broadening the issues: family policy, and child and dependent care. As child care advocates, we need to examine ways of strengthening our message by linking it to broader issues of dependent care (including both children and elders), and to the need for a comprehensive national family policy that would include not only quality child care but the option of spending more time at home with one's children.

Making "personal" child care problems political. The health care reform movement has shown considerable success in drawing attention to the issues by putting "a human face" on them, illustrating health care needs and dilemmas by telling the stories of individual people. Like health care, "quality child care is a right," and it is a critical issue for the American middle class—not just a need of the poor. A campaign to illustrate the diversity of parents' and children's needs and experiences could help us show the ways in which these apparently "personal" child care problems are in fact a shared political challenge for the nation.

2. Public Policy Initiatives

Two of the Forum work groups grappled with developing policy initiatives at the federal, state and local levels that would promote a better-compensated and more stable early childhood work force.

As M.A. Lucas observed in her discussion of the Military Child Care Program's compensation and training initiative (see "Success Stories," above), the Army found that the difference in cost between raising salaries and continuing to pay the price of constantly hiring and training new workers was a "wash"—a negligible expense. As a result, there was really no compelling reason not to upgrade salaries and to retain the present work force.

The Military Child Care experience inspired the work groups to propose policy initiatives that would document whether a similar "wash" exists in the broader child care field and reallocate existing funds toward salaries.

The following summary contains recommendations from both work groups; they are intended as suggestions to be explored by the child care field, rather than as fully developed proposals.

Action Agenda

A salary enhancement fund to stabilize the work force. A policy solution to the child care compensation crisis will require decisive action—incremental, perhaps, but bold. To begin, existing funds should be reallocated to create an immediate infusion of salary enhancement money for child care staff who already have a certain level of training—for example, those with Associate or four-year degrees, or a certain number of hours of training, or certain demonstrated levels of competency. The Military Child Care experience, and research such as the National Child Care Staffing Study, have shown that an increase in salary levels has a dramatic impact on turnover, which means better consistency and quality for children, parents and staff.

To access the fund, teachers and providers would take documentation of their qualifications to a Registry, which would complete a review of what they deserve to earn. This would trigger an earmarked payment sent to each worker's employer, who in turn would complete appropriate paperwork to show that payment has been made. The fund could use a nationally recognized salary standard such as GS Standard, about which a great deal of analysis has already been done.Each individual child care worker would participate by acting on her own behalf, and the Registry would ensure that she receives the "equity payment" no matter the auspices of her program.

A similar model, the "Child Care Wages" pilot project, is already underway in North Carolina, through which teachers and providers can receive an extra $1,000 to $2,000 per year, depending on their level of education. In addition, a computerized Registry-style process already exists or is in development in a number of states. (If we must endure criminal background checks in the child care field, why indeed not benefit from a *salary* background check!)

Linking training with compensation. Child care advocates at the state and community levels must continue to highlight the issues of compensation and quality by creating demonstration projects modeled after such successful efforts as the California Early Childhood Mentor Teacher Program, Military Child Care and North Carolina's TEACH program. In particular, more model programs must be developed that link accessible training opportunities with the reward of higher compensation. Hand in hand with this effort, programs should more actively "market" their successes by putting the word out and offering technical assistance to other communities—perhaps through such clearinghouses as Wheelock College's Center for Career Development,

and the Mentoring Alliance coordinated by NCECW.

Salary scales linked to competency and training. Wheelock's Center for Career Development and NCECW are also working to develop appropriate salary scales, linked to different teacher and provider roles and levels of training and/or competency. These will be invaluable to the field in offering technical assistance to states and communities seeking to upgrade child care compensation.

Regulatory standards. In addition to salary scales, state regulations and licensing standards should also be revised to promote the creation of a clearer career ladder in the child care field–for example, by creating multiple levels of "teacher" and "director," based on achieved levels of professional development.

Demonstration projects by employers. Corporations and other employers, perhaps in partnership with Work/Family Directions, the Families and Work Institute or others, can play a role in developing and promoting community programs that break the link between employees' child care fees and caregiver wages. Even one major corporation conducting such a demonstration project, and writing up and disseminating information about it, could have a major influence.

Health insurance pools. Several states are now investigating the creation of a health insurance pool for child care providers. The lack of health benefits is a critical problem in a field characterized by high exposure to illness. More broadly, child care advocates must be active in the coalition effort to assure universal health coverage for all Americans.

Re-thinking federal data collection. Data about the early childhood work force is severely hampered, among other factors, by antiquated job-classification systems still used by the U.S. Census Bureau, Department of Labor and others–in particular, an insidious and false division between "education" and "service" which invariably places child care in the latter category. An Early Education Data Collection Group is now working on this subject in order to propose a variety of policy changes.

Mobilizing consensus within the field. More policy summits need to be held, and more opportunities for collaboration created, in order to bring together the diverse sectors of the early childhood field (center-based child care, family day care, school-age child care, Head Start, public schools and others) and to mobilize consensus on policy initiatives. In particular, working with such groups as the National Association for Family Day Care, the National School-Age Child Care Coalition and the National Head Start Association, the Worthy Wage Campaign could co-sponsor the development of better, more detailed materials for these constituent groups on "breaking the link" and the movement for better compensation.

Research

Documenting the "wash." We often assume that the cost of stabilizing the child care work force will be enormous. But the Military Child Care program found that the difference between bridging the fees/wages gap, and continuing to pay the high cost of staff turnover and retraining, was a minimal one. Research should document this differential within the wider early childhood field; if it is indeed shown to be a "wash," a major barrier to policy reform would be removed. Questions would include: Who is bearing the (direct and indirect) costs of high turnover? How are these costs distributed? What are the psychosocial

costs of high turnover and instability on children, families and staff? What is the salary differential between those programs with high turnover and those with low or no turnover?

A life-cycle approach. Using an approach suggested by economist Heidi Hartmann (see Part II of this report), researchers could estimate or measure what an investment in quality child care might cost over a person's entire life cycle—on the assumption that most Americans will need child care at some time in their lives, and that the years in which one's children are very young are typically a period of greater poverty.

More attention to compensation and training in all child care research. NCECW and other child care researchers can play an active role in requesting *all* child care researchers to regularly include compensation and training issues in their studies of the field.

The secondary effect of low child care wages on low-income communities. Research is needed to address the question of whether child care work actually helps perpetuate poverty in low-income communities. What would be the community economic impact of increasing child care wages?

A research compendium on compensation and quality. Child care advocates could greatly use a compendium of all available research on the links between compensation and child care quality. Some of this need will be addressed in an Annual Research Review to be launched by NCECW in early 1995.

3. Funding and Financing Strategies

Two Forum work groups devoted their attention to possible funding sources and more effective financing mechanisms to enhance child care quality and staff compensation. Together the groups developed a set of operating principles:

- The funding of early care and education should not be merely the result of marketplace mechanisms; rather, it should be a social compact among all citizens, like elementary and secondary education.

- The funding and financing of all early care and education services should be guided by a single, comprehensive child development approach, with the goal of eliminating disparities, contradictions and overlaps between programs.

THE FUNDING OF early care and education should be a social compact among all citizens, like elementary and secondary education.

- Child care teachers and providers should be paid on a basis comparable to other human service professionals.

- Early care and education funding should shift from a categorical to a shared cost-spreading approach.

- All child care consumers should be guaranteed equity in access to service.

The following summary contains proposals from both groups.

Strategies and Options

Reform of the Child Care and Development Block Grant (CCDBG). While this 1990

legislation significantly increased the resources available to states for child care, federal guidelines have thus far severely hampered states' ability to use the funds for quality improvements such as better compensation. As the CCDBG comes up for reauthorization in 1995, the Worthy Wage Campaign is calling for an annual overall increase of $300 million in the program, with at least 50 percent of Block Grant funds to be devoted to quality enhancement, and half of these quality funds to go toward increasing staff compensation.

Tax reform. Many of the possible cost-spreading options to increase child care funding through the tax system are regressive, unreliable, politically unpopular or problematic in other ways. Sales and property taxes are especially regressive, unreliable *and* unpopular methods of funding social services; education, in particular, has suffered in various states from depending too heavily on such sources. Two options, however, may hold promise:

- a payroll tax for child care, half of which would be paid by employers.

- a refundable tax credit for child care workers—i.e., a dependent care tax credit that would be available not only for caring for one's own dependents, but for others'. The credit could be rolled into employees' pay checks, with refunds available to those who are self-employed. A related option would be a tax credit for child care workers to pursue continuing education.

A federal family allowance. A federal family allowance of $8,000 to $10,000 per year for paid parental leave or child care would make an enormous contribution to upgrading and stabilizing the child care system. This may not be such an outlandish notion after all; the National Commission on Children has already placed it on the agenda by proposing an increase in parents' tax exemption to about $7,000 per year.

State funds for compensation. States should each devote a given percentage of their annual budgets for early childhood care and education. Budget guidelines and standards should include mandating and paying for quality enhancement and increased staff compensation. Wisconsin, in particular (see "Success Stories," in Part II of this report), has implemented a ground-breaking Quality Child Care Grants program to promote accreditation, training and increased staff salaries and benefits.

Program reimbursement rates. Low reimbursement rates are the major way in which public funding perpetuates low levels of child care quality and compensation. Short of the necessary step of raising *all* program rates across the board, states can begin by implementing differential rates for programs which demonstrate higher quality. At least one state, Louisiana, now offers higher reimbursements to programs with NAEYC accreditation.

Education reform. State-level education reform measures could help to bring early care and education, and public education, into one coherent and better-financed system. Though defeated by the religious right, Connecticut's 1993 education reform plan, which would have integrated certain preschool services into public education in order to promote school readiness, was a promising measure worthy of study by other states. Hawaii's current effort to develop an optimal statewide system serving children from birth

through age 5 by the year 2000 is also an important model.

Head Start expansion. Child care advocates may wish to argue for the expansion of Head Start to younger children, in order to spread the benefits and resources of this successful program to a larger population.

Demonstration projects. Local communities, with public and private support, might consider developing a comprehensive model system of child care services within a limited area. The Rochester Project, for example, made an important contribution in recent years to the national health care reform debate. One drawback of this approach, however, is the potential disruption to the community when funds for a comprehensive model come to an end.

Privatization strategies by employers. Employers can help working parents to make a stronger financial contribution to child care services—for instance, by establishing a loan fund to help employees spread out their child care costs or defer them until later in their careers, when income is likely to be higher and overall expenses lower. The Xerox Corporation's Life Cycle benefits program is one innovative example.

4. Building Coalitions

The closing session of the Forum included a panel discussion on "Building Coalitions: Within and Beyond the Early Care and Education Community." Following are excerpts from the panelists' remarks.

Claudia Wayne, Executive Director, NCECW:

The current crisis over how to fund welfare reform, which came to a head just as we convened our Forum this weekend, is the perfect illustration of the ongoing need for a strong child care coalition.

Coalitions are the coming together of diverse interests to pool resources, create change, and build a louder voice. As singer and activist Bernice Reagon has said, coalitions are essential but they are not "home": they're hard work, because by definition they have to expand past the circle of people you're used to living and working with. For NCECW, the Worthy Wage Coalition is absolutely central to our work. It drives our research and our policy activities and everything we do.

I'd like to offer here what I consider to be the most important principles of coalition work:

1. *Understanding and respecting differences.* Coalition members will have a wide range of reasons for joining, and many different levels of involvement in a particular issue. We need to understand and appreciate these varying needs in order to meet them, and we need to be respectful of the autonomy of each organization in the coalition.

2. *Defining common ground.* It's essential to develop guiding principles from the beginning, clarifying the issues that the coalition will work for and its vision of the future. A set of guiding principles helps you not only to draw people in but to identify *whom* to draw in. Be flexible and ready to modify or expand these principles in order to take in new issues—but not so flexible that you try to bring in people who don't agree with you and won't work with you harmoniously. A careless "inclusiveness" can become a destructive force.

3. *Developing operating rules.* A coalition needs to decide how formal or informal an operation it will be—a loose collaboration of groups that responds periodically to policy developments, for example, or a formal

coalition with staff? How quickly will you be able to respond to issues and crises? How will you resolve conflict and reach agreement? (The National Committee on Pay Equity, for instance, changed from a policy of reaching 100 percent agreement to passing decisions by a two-thirds majority.)

4. *Clarifying terms.* In a field as diverse as ours, defining what to call ourselves is especially tricky. Will we use the term "child care," for instance, or "early care and education"? Do we call practitioners in the field "teachers," "providers," "caregivers" or something else? We need to work on terminology that is as inclusive as possible—terms that will mean something to us *and* will communicate our identity clearly to outsiders.

5. *Recognizing everyone's contribution.* It's essential to honor all the varying contributions and levels of resources that coalition members can provide. Thank and acknowledge them all equally when they give their best, no matter how small their contribution may seem.

6. *Starting small and thinking big.* Begin with small projects so that the coalition can practice working together. Celebrate your victories, great and small, whenever they come along—and whatever you do, share the credit with everyone who took part.

Joyce Long, Women's Rights Coordinator, Department of Women's Affairs, American Federation of State, County and Municipal Employees (AFSCME), Washington, D.C., and NCECW Board Member:

Perhaps I can speak to some of the challenges of communicating child care issues to "outsiders," that Claudia referred to, from my experience of working with non-child care groups in organized labor. I was asked a few years back to read the National Child Care Staffing Study to see if AFSCME could endorse its recommendations, and I quickly got excited about and involved in the compensation issue. But at first, it was difficult to mobilize support; I saw that *I needed to have something I could give them to do.*

AFSCME was later able to have some influence in getting child care compensation addressed in the National Commission on Children's report; the president of AFSCME was appointed to the Commission as its only labor member. As I reviewed the list of members in order to identify sources of support, I recommended three main issues to go forward on: family and medical leave, health care reform, and child care compensation.

I think that NCECW has terrific potential for working with the labor community, but we must give unions something concrete to do—a lobbying task, in line with all the union activism on the Act for Better Child Care, or the Family and Medical Leave Act; a three- or four-point plan; or some other mission. We have to be very clear about what we'd like them to *do*—and I have to say, things they can do *apart from* organizing child care workers, which is very, very hard. One idea might be a health insurance pool, at the AFL-CIO level; perhaps child care workers would get in as "associate members" of a union plan? Or can the field find ways to consolidate and organize into larger bargaining units, like the Head Start model? Whatever we do, we have to reach out to new coalition members by having clear tasks that will get them involved and committed to our work.

Patty Hnatiuk, Director, Child Care Training Programs, Wheelock College, Boston, Mass., and NCECW Board Member:

I'd like to list out some of our greatest challenges as we work toward generating new leadership for tomorrow in the child care field:

1. We have to create a knowledgeable force that holds legislators and policy makers accountable. At our 1994 Worthy Wage Lobbying Day at the Massachusetts State House, for example, directors and parents—and legislators—responded heavily to the idea of "breaking the link." We can benefit from pushing this issue much farther.

2. We have to identify and stay in touch with our best allies.

3. We have to develop both *inside* and *outside* strategies; not just talking about child care issues "on the Hill," but in our programs and on the streets.

4. We have to recognize that *real* power lies not just at the top, but with the child care workers and parents. We have to find our own voices. Transformation is essential for freedom.

5. We have to understand that compensation and training are fundamental to good child care; *they are not extra.* We don't need to expand the supply of *lousy* child care we already have, and we don't need to cooperate with "policy types" who urge that on us as the only possible recourse.

The Worthy Wage Campaign came out of principles like these—and from the recognition that there's often a real gap between the child care worker community and the policy makers and "professional advocates." We had to fight *for years* on the ABC Coalition to keep compensation and other quality principles in the wording of the legislation, and *we won.*

Democracy is messy. It's not glamorous work—but it *is* loveable. And we have to look to where others have fought before us and won. This week, in the first election in which every citizen of that country could finally vote, South Africans have shown us the true "power of the people."

Conclusion

The participants in this first-ever national forum on child care compensation left the gathering with an increased sense of commitment and energy for the tasks ahead. We believe the Forum took a critical step forward in expanding our coalition into new communities and constituencies across the country, and in laying out an agenda for us all to consider as we attempt to "break the link" between child care fees and wages in years to come.

WE HAVE TO find our own voices. Transformation is essential for freedom.

We hope, too, that readers of this report will all contribute their skills and efforts to the growing early childhood work force movement. Please contact us at NCECW about ways to help build a high-quality American child care system—one that nurtures not only young children but the adults to whom we have entrusted their care.

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